



Vehicle Registration Fee
 Direct Local Program Distributions
 Compliance Report



Fiscal Year 2012-2013

June 2014

Alameda County Transportation Commission
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Introduction



In November 2010, Alameda County voters approved the Measure F Vehicle Registration Fee to authorize the annual collection of a \$10 per vehicle registration fee (VRF). Vehicles subject to the VRF include all motorized vehicles (unless vehicles are expressly exempt). Six months after the Measure's approval, VRF fee collection began. In Spring 2012, the first VRF distributions were allocated to eligible recipients.

The VRF Program allocates 60 percent of net fund receipts to local road improvements and repairs in Alameda County. The goal of this program is to support transportation investments to sustain the County's transportation network and reduce traffic congestion and vehicle-related pollution. The VRF's Local Road

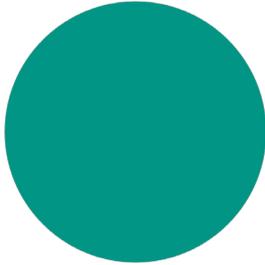
and Repair Program is part of an overall strategy to finance transportation capital improvements intended to maintain and improve local streets and roads as well as a broad range of facilities in Alameda County (from local to arterial facilities).

The Alameda County Transportation Commission (Alameda CTC) maintains Master Programs Funding Agreements (MPFA) with fifteen jurisdictions eligible to receive VRF funds known as "Direct Local Program Distribution funds". Through the MPFA, Alameda CTC outlines specific requirements tied to eligible usage of VRF funds, and reporting requirements. This Compliance Report provides a summary of FY 12-13 revenues and expenditures reported by VRF recipients.

VRF recipients are required to submit an audited financial statement and complete a compliance reporting process, including submitting the following deliverables annually to Alameda CTC:

- **Road miles:** The number of maintained road miles within the city's jurisdiction.
- **Population:** The number of people the jurisdiction's transportation program serves in the fiscal year.
- **Newsletter:** Documentation of a published article that highlights the VRF funded improvements.
- **Website:** Documentation of program information on a local agency website with a link to Alameda CTC's website.
- **Signage:** Documentation of public identification of program improvements as a benefit of using the VRF program.
- **Pavement Condition Index:** Documentation of the agency's Pavement Condition Index (PCI) to provide a frame of reference for the conditions of their local streets and roads.
- **Complete Streets Policy:** Confirmation that local jurisdictions adopted a Complete Streets Policy by June 30, 2013.
- **Timely Use of Funds and Reserve Policy:** Provide an implementation plan using unexpended fund balances. Per the MPFA, local jurisdictions must expend VRF funds in an expeditious manner, and no unexpended funds beyond those included in specified reserve categories may be permitted. If VRF recipients do not meet the timely use of funds requirements, unspent funds may be subject to rescission.

VRF Direct Local Program Distributions Revenues



Alameda CTC VRF Program Distribution

Dollars in millions

1 Local Streets and Roads	\$6.9	100%
Total Distributions	\$6.9	100%

The Alameda CTC disburses VRF Direct Local Program Distribution funds on a monthly basis to the eligible jurisdictions for their local road improvement and repair programs. This report summarizes the total Alameda CTC VRF fund allocations and agency expenditures for fiscal year 2012-13 (FY 12-13).

The data within this report is based on information included in compliance and audited financial statements reports that the jurisdictions submitted at the end of the year. The individual reports and audits are available for review online at http://www.alamedactc.org/app_pages/view/9863.

VRF Direct Local Program Distributions

From the start of the VRF Program distributions in Spring 2012, program receipts and Alameda CTC's funding distributions have been consistent each year. Annually, Alameda CTC collects approximately \$11.0 million in VRF receipts each year. Approximately 60 percent of net VRF program funds are allocated to local jurisdictions as Direct Local Program Distributions.

In FY 12-13 Alameda CTC provided approximately \$6.9 million in VRF Direct Local Program Distributions to jurisdictions for their local streets and roads programs. In turn, the jurisdictions used the VRF funds in tandem with other revenue streams such as the Measure B half-cent sales tax to implement projects totalling approximately \$19.3 million in transportation improvements in FY 12-13.



VRF Direct Local Program Distributions Expenditures

FY 12-13 is the second full fiscal year of VRF distributions to the fifteen eligible recipients in Alameda County and VRF funded improvements are now coming into fruition. In FY 12-13, jurisdictions expended approximately \$4.6 million on local road improvements and maintenance activities. This is \$4.5 million more in expenditures than in the prior fiscal year. Over the next three fiscal years jurisdictions anticipate an increase in VRF funded activities as jurisdictions incorporate VRF funding into their annual programs and budgeting processes.

See the chart below for more information on VRF Direct Local Program Distribution fund balances, new revenue, and expenditures in FY 12-13.



FY 12-13 VRF Expenditures and Fund Balances

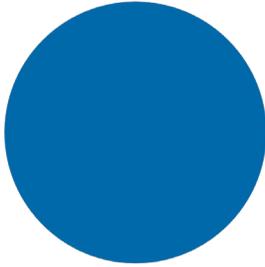
Jurisdiction	11-12 VRF Balance	12-13 VRF Revenue	12-13 VRF Interest	12-13 VRF Expended	Ending VRF Balance
Alameda County	\$683,581	\$681,786	\$9,936	\$1,375,303	\$0
City of Alameda	\$331,303	\$310,807	\$3,309	\$1,270	\$644,149
City of Albany	\$74,674	\$76,985	\$112	\$144,677	\$7,094
City of Berkeley	\$474,334	\$478,124	\$0	\$56,743	\$895,715
City of Dublin	\$250,726	\$225,031	\$2,796	\$196,965	\$281,588
City of Emeryville	\$44,867	\$42,474	\$130	\$87,471	\$0
City of Fremont	\$1,067,554	\$998,013	\$13,744	\$650,000	\$1,429,311
City of Hayward	\$731,460	\$701,802	\$1,253	\$944,854	\$489,661
City of Livermore	\$437,264	\$396,335	\$0	\$311,179	\$522,420
City of Newark	\$217,184	\$197,315	\$709	\$200,000	\$215,208
City of Oakland	\$1,891,353	\$1,646,231	-\$3,210	\$122,666	\$3,411,708
City of Piedmont	\$49,408	\$45,001	\$0	\$0	\$94,409
City of Pleasanton	\$362,934	\$342,796	-\$1,512	\$207,894	\$496,324
City of San Leandro	\$425,278	\$410,515	\$0	\$6,135	\$829,658
City of Union City	\$367,037	\$323,866	\$2,179	\$242,258	\$450,824
Total	\$7,408,957	\$6,877,081	\$29,446	\$4,547,415	\$9,768,069

Notes:

1. The table above reflects total VRF revenue and expenditures reported by the jurisdictions.
2. Revenue and expenditure figures throughout this report may vary due to number rounding.
3. Negative interest are reflective of GASB 31 accounting adjustments.
4. The Ending VRF Balance includes interest on VRF funds.



VRF Direct Local Program Distribution Expenditures



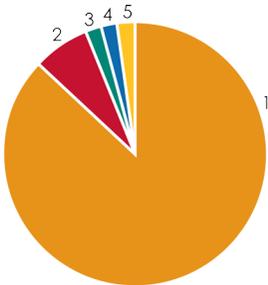
Total VRF Funds Expended

Dollars in millions

1 Local Streets and Roads	\$4.6	100%
Total Expenditures	\$4.6	100%

Per the MPFA's Local Streets and Roads Implementation Guidelines, the VRF Local Road Improvement and Repair Program funds are eligible for capital improvements for surface streets and arterial roads, including maintenance and upkeep efforts of local streets. VRF funding may be also used for improving, maintaining, and rehabilitating local roadways and traffic signals. Projects and activities designed to incorporate a Complete Streets practice that makes local roads safe for all modes, including bicyclists, pedestrians, and accommodation for transit are also eligible VRF expenses.

In FY 12-13, the jurisdictions reported \$4.6 million in VRF expenditures that supported local roadway and complete streets improvements. Of those total expenditures, \$4.5 million directly funded street and roads projects and the remaining \$0.1 million funded bicycle and pedestrian improvements related to streets and roads.



Total VRF Expenditures by Phase

Dollars in millions

1 Construction	\$4.0	87%
2 Maintenance	\$0.3	7%
3 PS&E	\$0.1	2%
4 Scoping/Planning	\$0.1	2%
5 Other	\$0.1	2%
Total Expenditures	\$4.6	100%

Total VRF Expenditures by Project Phase

VRF funds support local transportation improvements through various project phases. This includes initial planning/project scoping, environmental review, construction, maintenance and operational activities, and project close-out. The jurisdictions perform ongoing road maintenance and safety enhancements to provide residents with improved roadway conditions.

In FY 12-13, \$4.0 million financed construction projects throughout Alameda County. Jurisdictions combined VRF funds and Measure B funds to implement road rehabilitation projects, slurry seals, and other maintenance activities to maintain and improve local roadways. The other \$0.6 million in expenditures included general maintenance, initial planning/project scoping, and preliminary engineering activities in preparation for the following year's local street and road projects and infrastructure enhancement efforts. These expenditures help improve Alameda County's transportation infrastructure by improving, maintaining, and rehabilitating local roads.

Total VRF Expenditures by Project Type

VRF Direct Local Program Distributions are eligible for local street and road improvements including improvements that meet the Complete Streets practice to make transportation safe and accessible to all modes, including bicycle, pedestrian and transit.

In FY 12-13, by Project Type jurisdictions expended the majority of the \$4.6 million in expenditures on street resurfacing and maintenance (\$3.9 million). The remaining \$0.7 million in expenditures included signal construction, bicycle safety enhancements, and pedestrian crossing improvements.

VRF Revenues and Expenditure Trends

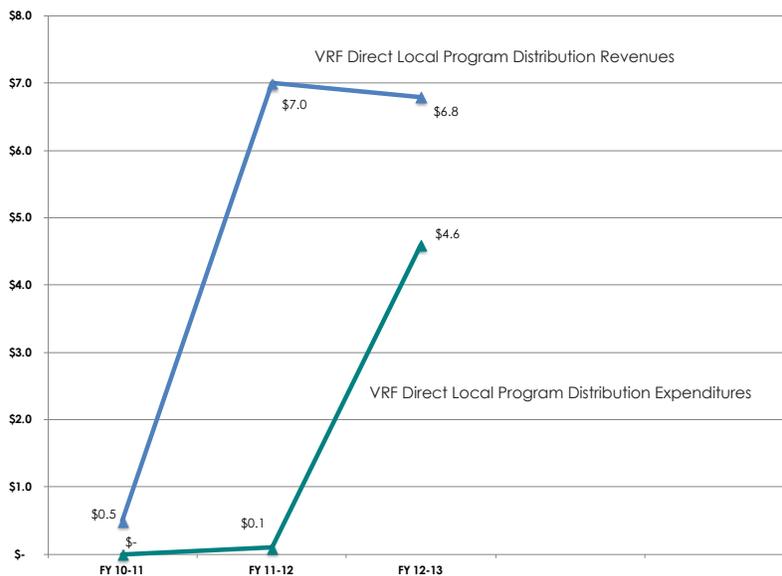
Since the start of the VRF program in 2011, the total receipts generated from vehicle registration fees have remained consistent. Each year, Alameda CTC receives approximately \$11.0 million in receipts, of which approximately \$7.0 million (60 percent) is allocated directly to the fifteen eligible VRF recipients via Direct Local Program Distributions. The VRF program currently contains only two full years of funding distributions and jurisdictions are beginning to expend more VRF funds as part of their annual program plans.



In FY 12-13, VRF expenditures have increased significantly from the prior year and are anticipated to continue along this expenditure trend. The chart below details the VRF program's annual revenues and expenditures since the start of the VRF program.

VRF Annual Revenues and Expenditures Trends FY 10-11 through FY 12-13

Dollar in millions



Timely Use of Funds and Reserves Policy



In order to ensure agencies are expending VRF funds expeditiously on local road improvements, the MPFA's Timely Use of Funds Policy requires jurisdictions to report anticipated use of all VRF funds for their VRF local road improvement and repair program. As part of the annual compliance reporting process, jurisdictions provide detailed information regarding planned uses of VRF funds and preliminary information regarding anticipated project deliverables.

Per the MPFA's Fund Reserve Policy, jurisdictions can establish certain fund reserves to account for unexpended balances. The types of fund reserves and their eligibilities are noted in the following chart.

Fund Reserve Categories

Reserve Category	Maximum Funding Allotment	Timely Use of Funds Requirement
<p>Capital Fund Reserve Recipients may establish a specific capital fund reserve to fund specific large capital project(s) that could otherwise not be funded with a single's year revenue of VRF funds.</p>	None.	(1) Recipients shall expend all reserve funds by the end of three fiscal years following the fiscal year during which the reserve was established.
<p>Operations Fund Reserve Recipients may establish and maintain a specific reserve to address operational issues, including fluctuations in revenues, and to help maintain transportation operations.</p>	50 percent of anticipated annual VRF Direct Local Program Distribution revenue	(1) Revolving fund (2) Unexpended funds may be reassigned in the subsequent fiscal year.
<p>Undesignated Fund Reserve Recipients may establish and maintain a specific reserve for transportation needs over a fiscal year for grants, studies, contingency, etc.</p>	10 percent of anticipated annual VRF Direct Local Program Distribution revenues	(1) Unexpended funds may be reassigned in the subsequent fiscal year.

Monitoring Timely Use of Funds and Reserves

As part of the annual compliance report, VRF recipients are required to provide an implementation plan using all available VRF funds. Over the subsequent annual compliance reports, Alameda CTC will utilize the reported information to track reported expenditures and to monitor the implementation plans for compliance with the MPFA's Timely Use of Funds Policy.

Last year, Alameda CTC implemented the first year of monitoring and tracking fund reserves as part of the FY 11-12 Annual Compliance Report. In that report, jurisdictions provided implementation plans.

In this year's compliance reporting evaluation, Alameda CTC will:

1. Monitor jurisdictions' implementation plans to ensure jurisdictions are actively expending VRF funds and enhancing the local transportation system throughout Alameda County.
2. Review jurisdictions' updated implementation plans which include the identification of uncommitted fund balances and anticipated annual revenue for the FY 13-14 period.

The charts on the following pages provides a monitoring summary of Capital Fund Reserve balances and a review of the jurisdictions' anticipated VRF Direct Local Program Distribution fund balances at the end of FY 13-14.



VRF Capital Fund Reserve Monitoring



As part of the FY 11-12 reporting, jurisdictions identified a plan to use all VRF funds available in FY 12-13. Jurisdictions could establish a Capital Fund Reserve Plan that spans from FY 12-13 through FY 15-16. This is referred to as the FY 13-16 Capital Reserve Window (FY 13-16 Window). In total, jurisdictions identified \$10.8 million and have expended \$2.6 million as of the end of FY 12-13. Jurisdictions have until the end of FY 15-16 to expend the remaining \$8.2 million.

As part of the FY 12-13 reporting, jurisdictions identified a plan to use all VRF funds (not already identified in a Capital Reserve) for FY 13-14. Jurisdictions were allowed to establish a Capital Fund Reserve Plan that spans from FY 13-14 through FY 16-17. This is referred to as the FY 14-17 Capital Fund Reserve Window (FY 14-17). In total, jurisdictions identified \$4.9 million and must expend these funds by the end of FY 16-17.

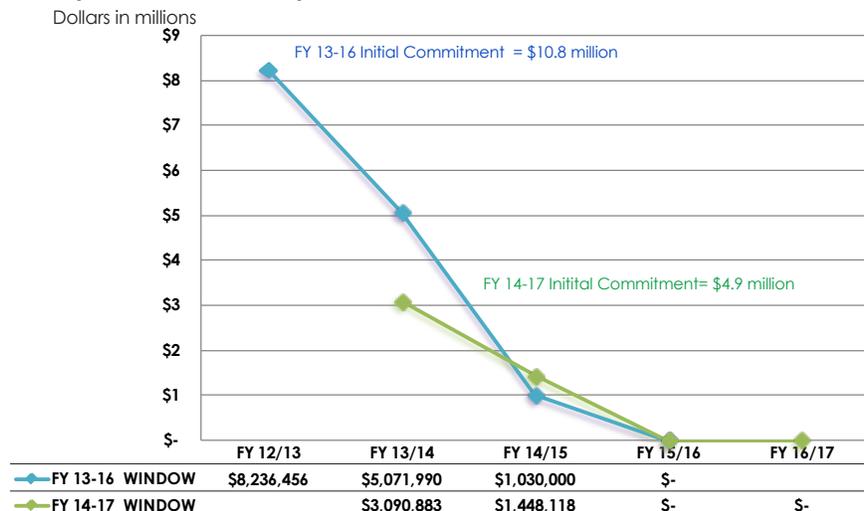
The Capital Fund Reserve Windows are illustrated below.

Capital Reserve Window Summary

Capital Fund Reserve	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
FY 13-16 Window	\$10.8 million committed \$8.2 million remaining				
FY 14-17 Window		\$4.9 million committed \$4.9 million remaining			

Alameda CTC will monitor the projects and funding plans identified in these reserve windows and the overall compliance status of the identified Capital Fund Reserves. Over the next three years of implementing the Timely Use of Funds and Reserve Policy, Alameda CTC anticipates a further reduction of overall VRF fund balances. The anticipated expenditure of the Capital Fund Reserve balance is depicted below.

Anticipated Year End Capital Fund Reserve Balance



VRF Capital Fund Reserve Window Fund Balances

FY 13-16 Capital Fund Reserve Window

In the first year of implementing in the MPFA's Timely Use of Funds Policy, jurisdictions identified \$10.8 million in the FY 13-16 Window. At the end of FY 12-13, jurisdictions' collective FY 13-16 Window Balance is approximately \$8.2 million. The balance is required to be expended by the end of the reserve window (FY 15-16).



FY 13-16 Capital Fund Reserve Window Balance

Jurisdiction	Committed Amount ¹	Expended Amount ²	Remaining Balance ³	Percent Remaining
Alameda County	\$1,379,214	\$1,375,303	\$3,911	1%
City of Alameda	\$635,006	\$1,270	\$633,736	99%
City of Albany	\$145,485	\$144,677	\$808	1%
City of Berkeley	\$819,132	\$0	\$819,132	100%
City of Dublin	\$0	\$0	\$0	0%
City of Emeryville	\$44,867	\$44,867	\$0	0%
City of Fremont	\$1,502,773	\$650,000	\$852,773	57%
City of Hayward	\$424,724	\$0	\$424,724	100%
City of Livermore	\$493,272	\$0	\$493,272	100%
City of Newark	\$438,557	\$200,000	\$238,557	54%
City of Oakland	\$3,539,000	\$122,666	\$3,416,334	97%
City of Piedmont	\$91,575	\$0	\$91,575	100%
City of Pleasanton	\$150,000	\$0	\$150,000	100%
City of San Leandro	\$859,062	\$6,135	\$852,927	99%
City of Union City	\$258,707	\$0	\$258,707	100%
Total	\$10,781,374	\$2,544,918	\$8,236,456	76%

FY 13-16 Capital Fund Reserve Window

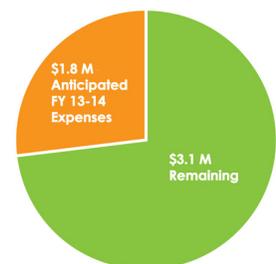
Committed Amount	\$10,781,374
Expended Amount	\$2,544,918
Balance Remaining	\$8,236,456

Notes:

1. Committed Amount as identified by jurisdictions in the FY 11-12 Compliance Report.
2. Expended amount as reported in the FY 12-13 Compliance Report.
3. Remaining amount to be expended by the end of FY 15-16.
4. Figures may vary due to number rounding.

FY 14-17 Capital Fund Reserve Window

In this year's compliance report, jurisdictions identified \$4.9 million in the FY 14-17 Capital Fund Reserve Window. Jurisdictions anticipate \$1.8 million in FY 13-14 expenditures. Alameda CTC will monitor the expenses in future compliance reports.



FY 14-17 Capital Fund Reserve Window

Committed Amount	\$4,914,292
Anticipated FY 13-14 Expenses	\$1,823,409
Anticipated Balance	\$3,090,883

VRF Local Road Improvement and Repair Program Fund Balance



For the VRF Local Road Improvement and Repair Program, jurisdictions reported an ending FY 12-13 VRF balance of approximately \$9.8 million. After including FY 13-14 estimated revenue and accounting for anticipated FY 13-14 expenditures, the expected balance at the end of FY 13-14 is projected to be approximately \$9.2 million. This is a \$0.6 million estimated decrease in fund balances from the prior fiscal year, which indicates local jurisdictions are incorporating more VRF funds into their budget and project implementation process. Over the next three fiscal years, jurisdictions anticipate delivering more improvement projects to enhance Alameda County's transportation system using VRF revenues.

FY 13-14 Ending Fund Balances

Jurisdiction	FY 12-13 Ending Balance	FY 13-14 Estimated Revenue ¹	FY 13-14 Available to Expend	FY 13-14 Planned Expenditures ²	FY 13-14 Ending Balance ³
Alameda County	\$0	\$649,854	\$649,854	\$649,854	\$0
City of Alameda	\$644,149	\$296,246	\$940,395	\$633,736	\$306,659
City of Albany	\$70,94	\$73,390	\$80,484	\$80,484	\$0
City of Berkeley	\$895,715	\$455,783	\$1,351,497	\$832,737	\$518,760
City of Dublin	\$281,589	\$214,510	\$496,098	\$474,647	\$21,451
City of Emeryville	\$0	\$40,480	\$40,480	\$40,480	\$0
City of Fremont	\$1,429,311	\$951,260	\$2,380,571	\$1,509,874	\$870,697
City of Hayward	\$489,661	\$668,930	\$1,158,591	\$1,158,591	\$0
City of Livermore	\$522,419	\$377,766	\$900,185	\$765,272	\$134,913
City of Newark	\$215,208	\$188,072	\$403,280	\$160,000	\$243,380
City of Oakland	\$3,411,707	\$1,569,106	\$4,980,813	\$350,000	\$4,630,813
City of Piedmont	\$94,409	\$42,893	\$137,302	\$131,000	\$6,302
City of Pleasanton	\$496,658	\$326,733	\$823,057	\$765,461	\$57,596
City of San Leandro	\$829,658	\$391,283	\$1,220,941	\$10,000	\$1,210,941
City of Union City	\$450,823	\$308,695	\$759,518	\$249,621	\$509,987
Total	\$9,768,066	\$6,555,000	\$16,323,066	\$7,811,757	\$9,145,046

Notes:

1. FY 13-14 Estimated Revenue is based on May 2013 VRF projections.
2. The FY 13-14 Planned Expenditures column consists of anticipated transportation related expenditures reported in the FY 12-13 Compliance Report.
3. The Anticipated Ending Balance is the estimated FY 13-14 beginning balance.
4. Revenue and expenditure figures may vary due to number rounding.

VRF Local Road Improvement and Repair Program FY 12-13 Program Highlights

In FY 12-13, jurisdictions implemented approximately \$4.6 million in local road improvements and repairs to make Alameda County's transportation system safer, accessible, and maintained.

The following includes agency highlights of VRF funded improvements.

- **Alameda County:** Resurfaced 2.4 million square feet of asphalt to extend pavement life and improve reliability on roads including Grant Line, Bryon, Beth, and Crow Canyon.
- **City of Alameda:** Initiated PS&E studies to implement a street repair and maintenance program.
- **City of Albany:** Constructed bicycle path and a traffic signal at Buchanan and Pierce intersection to enhance safety and to encourage travel on the Ohlone Greenway and the Bay Trail.
- **City of Berkeley:** Completed 3,845 pot holes and 124 street patch repairs.
- **City of Dublin:** Upgraded the Traffic Operations Center communication network that will improve traffic circulation and safety monitoring.
- **City of Emeryville:** Performed 372,000 square feet of slurry seals.
- **City of Fremont:** Treated 850,000 square feet of roadway as part of the 2012 Cap & Slurry Seal Project.
- **City of Hayward:** Rehabilitated 3.3 million square feet of streets.
- **City of Livermore:** Repaired, overlaid and rehabilitated 1.3 million square feet of roadway.
- **City of Newark:** Restored 600,000 square feet of worn out pavement.
- **City of Oakland:** Performed PS&E studies in preparation for street resurfacing projects in 2014.
- **City of Piedmont:** Incorporated VRF funds into a 2014 pavement plan.
- **City of Pleasanton:** Completed slurry sealing of 1.7 million square feet of city streets and roadways.
- **City of San Leandro:** Initiated PS&E studies for future street resurfacing and maintenance projects.
- **City of Union City:** Realigned 2,600 feet of roadway and reconfigured the Alvarado Blvd and Union City Blvd intersection to improve pedestrian safety and traffic circulation.



